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NSC BRIEFING

7 May 1958

INDONESIA (continued)

I. North Celebes dissidents demonstrating increasing aggressiveness against government targets East Indonesia.

A. Following successful 28 April Morotai landing, 500-man force under command of Lt. Col. Sunual on Monday made unopposed landing and secured airfield at Djailolo on Halmahera island; air cover provided by two P-51's.

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- C. Dissident capital has been transferred to Manado on 5 May and Colonel Warouw, former military attache to Peiping, designated administrative head in absence Sjafruddin.
- II. Dissident air attacks having profound cumulative effect, both militarily and politically.
 - A. Air force staging base for operations against North Celebes reportedly forced to move from Balikpapan to Sandjermasin, as result of air strikes.

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dissident air activity having serious effect on army, presumably in terms of morale.

D. Air action may prove major delay factor to government invasion of North Celebes.

State Department review completed

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25X1 F. Meanwhile, dissidents [redacted] bombed Ambon on 7 May
destroying a P-51 and a military transport aircraft. 25X1

XII. In political field, air attacks have brought strong government accusations of US involvement and implied threat of reprisal.

A. Djuanda has told US Ambassador he knows US is supporting dissidents from Clark Field in Philippines, demanded this be stopped.

B. Ambassador had impression Djuanda feared US-Indonesian relations at crossroads, and next few days might determine outcome.

25X1 C. Djuanda has told press he writing to several heads Asia-African countries describing presence of American and Chinese nationals among dissidents. <sup>Commie plots Hung Long, Sun Yat-Terry anti-US
barrage over reported deaths of Hung Long, Sun Yat-Terry
in different air attacks.</sup> [redacted]

XIV. Secretary General Right of Indonesian Communist Party in telegram to US ambassador, threatened to encourage action against US interests in Indonesia if "aid...from your country to the rebels is not immediately stopped."

A. Communists dominant influence among workers in US-owned oil and rubber interests on Sumatra.

B. Communist film workers in Indonesia have already begun agitating ^{Copy cat} for strike against showing of US films.

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V. In Sumatra, army announced "liberation" of Bukittinggi on Sunday, although government military patrols apparently had been in city since 28 April.

A. Rebel guerrilla activity, although scattered, has hampered government operations.

B. In South Sumatra, Lt. Col. Barlian apparently has been relieved although officially on "sick leave."

VI. There are several reports of feelers by Djakarta for peaceful settlement.

A. According to govt officers, army has plan whereby rebel leaders will be informed that new cabinet dominated by army and free from leftist influence will definitely be formed.

B. Civilian govt leaders apparently have another plan which involves convincing President Sukarno of need for positive action against Communists but which will use army to isolate Sukarno if he refuses to cooperate.

C. Setting aside of Sukarno, however, either by politicians or military would be difficult.

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VII. [redacted] at least three Soviet MiG aircraft are being assembled at Surabaja, possibly by bloc technicians who said to have arrived recently.

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